

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PM-04 H-02 L-03 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 SAM-01 SAJ-01 /073 W

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R 081658Z JUL 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 7766

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: EGEN, ELAB, PO

SUBJECT: COUNCIL OF MINISTERS APPROVES DECREE ON

WORKER "CONTROL" OF MANAGEMENT

REF: LISBON 3102

1. COUNCIL OF MINISTERS ISSUED COMMUNIQUE JULY 7 STATING IT HAD APPROVED DECREE DEFINING WORKER "CONTROL" OF THE MANAGEMENT OF BUSINESS ENTERPRISES. COMMUNIQUE CONTAINED FEW DETAILS BUT DECREE APPARENTLY RESEMBLES DRAFT WHICH EMBASSY OUTLINED IN REFTEL. INFORMATION AVAILABLE THUS FAR INDICATES THAT DECREE DIFFERS FROM EARLIER DRAFT IN FOLLOWING RESPECTS:

A. ARTICLES 2-5: DECREE STATES THAT WORKERS COMMITTEES CAN BE ELECTED BY SIMPLE MAJORITY OF FIRM'S WORKERS, RATHER THAN BY 75 PERCENT AS PROVIDED FOR IN DRAFT. DECREE SPECIFIES THAT ADVANCE NOTICE OF ELECTIONS MUST BE ISSUED AT LEAST 15 DAYS BEFORE MEETING; DRAFT HAD REQUIRED 8 DAYS ADVANCE NOTICE.

B. ARTICLE 8: DECREE DOES NOT APPLY TO COMPANIES INVOLVING SPECIAL GOVERNMENT AND DEFENSE INTERESTS, AND MONETARY AND EXCHANGE POLICY.

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2. COMMENT: APPROVAL OF WORKER "CONTROL" DECREE IS VIRTUALLY LAST MAJOR DECISION OF OUTGOING COUNCIL OF MINISTERS. DECISION WAS SOMEWHAT SURPRISING CONSIDERING THAT LESS IMPORTANT DECREE ON LENGTH OF WORK WEEK WAS HELD FOR FINAL DECISION OF LEGISLATIVE ASSEMBLY, OSTENSIBLY BECAUSE OF DECREE'S IMPORTANCE. ACTION ON WORKER "CONTROL" APPARENTLY REPRESENTS DETERMINED SOCIALIST EFFORT TO DISPOSE OF POLITICAL "HOT POTATO" BEFORE VI PROVISIONAL GOVERNMENT LEAVES OFFICE. THIS DECREE CONSTITUTES A DEFINITE POSITIVE STEP TOWARD RE-ESTABLISHMENT OF ACCEPTABLE LABOR/MANAGEMENT RELATIONS. IT SHOULD, THEREFORE, CONTRIBUTE SIGNIFICANTLY TOWARD RESTORATION OF PRIVATE SECTOR CONFIDENCE.

3. ALTHOUGH DECREE CLEARLY LIMITS WORKERS TO A MONITORING FUNCTION, IT IS OPEN TO SOMEWHAT DIVERGENT INTERPRETATIONS. IMPORTANT ISSUE IS WHETHER DECREE ENCOMPASSES MULTINATIONAL COMPANIES OPERATING IN PORTUGAL. TEXT OF DECREE STATES THAT IT IS APPLICABLE TO NATIONAL COMPANIES WITH MORE THAN FIFTY WORKERS. EMBASSY, GIVEN ITS EARLIER DISCUSSIONS WITH SOCIALIST LEADERS, BELIEVES THIS CATEGORY INCLUDES FOREIGN COMPANIES REGISTERED IN PORTUGAL. WE WILL ATTEMPT TO CLARIFY THIS QUESTION.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, REPORTS, COMMUNIQUEs, LABOR FORCE
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LISBON04589
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760264-0435
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760780/aaaacscz.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 LISBON 3102
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by greeneet>; APPROVED <13 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COUNCIL OF MINISTERS APPROVES DECREE ON WORKER "CONTROL" OF MANAGEMENT
TAGS: EGEN, ELAB, PO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006